

Important Notice

The Nebraska Department of Revenue (Department) is revising the Nebraska Advantage Act Incentive Computation, Form 312N, Schedules II and IV. After further research and review of the definition of taxpayer in [Neb. Rev. Stat. § 77-5719](#), the Department has determined that it is not legally necessary to confirm multiple levels of ownership. These schedules are being revised to require information on the direct owners of any partnership, limited liability company, cooperative, limited cooperative association, or joint venture which is performing qualified activities at the project. The direct owners of these entities cannot be a political subdivision, or an organization described in sections 501(c) and (d) of the IRC.

SCHEDULE II —

Nebraska Advantage Act Ownership Analysis and Distribution of Tax Credits

Name on Return	Project Number	Date of Application	Nebraska ID Number	Tax Year End
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If tax credits are distributed, check box below:

☐ Distribution by Applicant ☐ Redistribution of Tax Credits Received from _____

Project Owner _____

1 Total tax credits distributed to partners, shareholders, members, patrons, or beneficiaries
(enter here and on Form 312N, page 2, line 20).....

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A Name of Partner, Shareholder, Member, Patron, or Beneficiary	B Social Security or Nebraska ID Number	C Percentage Share of Income	D* Political Subdivision or 501(c) or (d) Organization		E Flow-through Entity Other than an S Corporation		F Verified Ownership Percentage	G Amount of Tax Credit (Column C x line 1)
			Yes	No	Yes	No		
2 a**		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
b		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
c		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
d		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
e		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
f		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
g		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
h		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
i		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
j		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
k		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
l		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
m		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
n		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
o		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
p		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
q		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
r		%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	%	
3 In column G, total the on lines 2a through 2r		100%						
4 Column F. Total the verified ownership (Add lines 2a through 2r)							%	

* If Column D is YES for any line, attach a schedule that lists the name in Column A, their ownership percentage at the beginning of the year, and their ownership percentage at the end of the year. If the ownership percentage changed during the year, provide information on the date and the amount of ownership after each change in ownership in the year.

** If you distributed tax credits, you must notify each recipient (listed on line 2) of the distributed share of the tax credit, the project owner's name, the project's number, the project's application date, and project owner's tax year end. This information will allow the recipient to complete Form 3800N.

INSTRUCTIONS FOR NEBRASKA SCHEDULE II – OWNERSHIP ANALYSIS AND DISTRIBUTION OF TAX CREDITS

WHO MUST COMPLETE – OWNERSHIP ANALYSIS. A project that includes a partnership, limited liability company which has elected to be taxed as a partnership, cooperative, limited cooperative association, or joint venture listed on page 3 of the application as an entity performing a qualified business activity at the project, must file Nebraska Schedule II – Ownership Analysis and Distribution of Tax Credits for each year of the project.

WHO MUST COMPLETE – DISTRIBUTION OF TAX CREDITS (Tiers 1, 2, 3, 4, and 6). A project owner who is a partnership, S corporation, limited liability company which has elected to be taxed as a partnership, cooperative, limited cooperative association, or a fiduciary must file Schedule II and complete the distribution of tax credits information for every year the project owner elects to make a distribution.

Any of the listed entity types that have received tax credits by distribution must complete Schedule II and file it with their Nebraska return if an election is made to redistribute the tax credits.

Instructions for Boxes in the Heading

PROJECT NUMBER. Enter the project number stated in the heading of the project agreement.

DATE OF APPLICATION. Enter the date of application shown in paragraph 1(a) of the project agreement.

NEBRASKA ID NUMBER. Enter the Nebraska ID number assigned by the Department or the individual's Social Security number.

TAX YEAR END. Enter the last day of the year for the return which includes this Form 312N.

PROJECT OWNER. Enter the name of the parent company of the applicant, if different, or the person who received the project in its entirety by transfer.

GENERAL INSTRUCTIONS

OWNERSHIP ANALYSIS. The ownership analysis must confirm that the applicant is an entity eligible to participate in the Act. Any partnership, limited liability company which has elected to be taxed as a partnership, cooperative, limited cooperative association, or joint venture in which political subdivisions or organizations described in IRC § 501(c) or (d) hold an ownership interest of 10% or more for applications dated prior to July 15, 2010, or 20% or more for all later applications, is not eligible to participate in the Act. An ownership interest includes direct and indirect ownership.

EXAMPLE:

The applicant is Partnership A. Partnership B is a 50% partner in Partnership A. The two equal partners in Partnership B are Foundation 1 and Joe Smith. Foundation 1 has a 25% indirect ownership interest in Partnership A.

Foundation 1 is a 501(c) or (d) organization, so Partnership A is not eligible to participate in the project because a 501(c) or (d) organization has a 25% ownership interest.

DISTRIBUTION OF TAX CREDITS. An applicant or recipient of tax credits, which is a partnership, S corporation, limited liability company that has elected to be taxed as a partnership, cooperative, or certain fiduciaries, may elect to distribute all or part of the tax credits earned to its owners. The tax credits must be distributed in the same manner as ordinary income is distributed. The tax credits may be used by the recipient for the tax year of the distribution or a later tax year, until the end of the carryover period. The tax credits may be used to offset the recipient's Nebraska tax liability, and they are not refundable.

The distribution of tax credits is considered a use of the tax credits and cannot be reduced at a later time. Recapture, if applicable, is based on the amount of tax credits distributed. It is not based on the amount of tax credits actually used by the recipients.

SPECIFIC LINE INSTRUCTIONS

LINE 1. Enter the total tax credits distributed to partners, shareholders, members, or beneficiaries from Form 312N, page 2, line 20. If this is a redistribution of tax credits, enter the total amount of tax credits to be redistributed.

LINE 2. Enter each partner's, shareholder's, member's, patron's, or beneficiary's name, Social Security number or Nebraska ID number, percentage share of income, and distributed share of the tax credits reported. If the partner, member, or patron is also a flow-through entity other than an S corporation, its ownership percentage is ineligible unless a signed and completed Schedule IV – Nebraska Advantage Act Ownership Verification Statement is attached. If there are not enough lines for the complete ownership list, attach an additional sheet providing the information.

An S corporation distributing tax credits on this schedule is not required to provide information for columns D, E, or F.

COLUMN D. State whether each owner is a political subdivision or an organization described in IRC § 501(c) or (d).

COLUMN E. State whether each owner is a flow-through entity other than an S corporation. If YES, attach a signed and completed Schedule IV from the entity.

COLUMN F. Determine the ownership eligibility for each owner listed.

- If Column D is YES, enter zero (-0-).

- If Column D is NO and Column E is NO, enter the percentage share of income from Column C.
- If Column D is NO and Column E is YES, enter the percentage share of income from line 4 of the Schedule IV provided by that entity.

COLUMN G. Multiply the percentage in column C by the total distribution on line 1.

LINE 3, COLUMN C. The total of all the percentages must be 100%, other than for rounding differences.

LINE 3, COLUMN G. Total all of the tax credits distributed on line 2. The total must equal the amount of distributed tax credits on line 1, other than for rounding differences.

LINE 4. Total all of the verified ownership percentages on line 2. If the total is more than 90% for a project with an application date prior to July 15, 2010, or more than 80% for a project with an application date on or after July 15, 2010, no additional ownership verification is required. If the column total is less than these required percentages, the project is not eligible to receive benefits under the Act. [Contact the Department.](#)